

Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 TRSE-00 PM-03 NSCE-00 SSO-00 CIAE-00

INR-07 NSAE-00 INRE-00 L-03 SP-02 AID-05 IGA-01 EB-07

SS-15 NSC-05 MC-02 OMB-01 /058 W

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O 111255Z JUN 75

FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC IMMEDIATE 3346

INFO SECDEF WASHDC IMMEDIATE

C O N F I D E N T I A L NAIROBI 4821

E.O. 11652: GDS

TAGS: MASS, KE, US

SUBJECT: KENYA PROGRAM: FMS CREDITS

REF: STATE 134280 (NOTAL)

1. FINANCE MINISTRY PERMSEC NG'ANG'A HAS ADVISED ME THAT KENYAN AUTHORITIES ARE OF THE OPINION THAT U.S. TREASURY SUGGESTED LANGUAGE PER REFTEL FOR A LEGAL ADVISER OPINION PREJUDGES SUBSTANCE OF AGREEMENTS TO BE SIGNED AND PROPOSED INSTEAD THAT THE SIMPLER FORMULATION SET FORTH PARA 2 BELOW BE USED TO AUTHORIZE KENYAN CHARGE D'AFFAIRES TO SIGN NECESSARY AGREEMENTS. ACCORDING TO NG'ANG'A THIS IS FORMULATION WHICH KENYA CUSTOMARILY USES IN INTERNATIONAL AGREEMENTS WITH ENTITIES SUCH AS WORLD BANK.

2. QUOTE. LOANS AND CREDIT FACILITIES ACT
CHAPTER 422 OF THE LAWS OF KENYA
U.S. FY-75 FOREIGN MILITARY SALES CREDIT IN
THE AMOUNT OF U.S. \$5 MILLION.

IN ACCORDANCE WITH THE PROVISION OF SECTION 7 OF THE LOANS AND CREDIT FACILITIES ACT, CHAPTER 422 OF THE LAWS OF KENYA, I, MWAI KIBAKI, MINISTER FOR THE TIME BEING RESPONSIBLE FOR FINANCE IN THE GOVERNMENT OF THE REPUBLIC OF KENYA, HEREBY AUTHORISE
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BERNARD ADUNDO, CHARGE D'AFFAIRS OF KENYA MISSION TO THE

UNITED STATES OF AMERICA TO SIGN ON BEHALF OF THE GOVERNMENT OF THE REPUBLIC OF KENYA THE FOREIGN MILITARY SALES CREDIT AGREEMENT IN RESPECT OF THE ABOVE-NAMED CREDIT, WITH THE FEDERAL FINANCE BANK OF THE UNITED STATES OF AMERICA, AND ANY OTHER DOCUMENTS IN CONNECTION WITH THE SAID CREDIT WITH THE POWER FOR THE SAID PERSON TO BIND THE REPUBLIC OF KENYA FULLY TO ANY AMOUNT AND IN ANY RESPECT UNDER THE SAID AGREEMENT.

MWAI KIBAKI
MINISTER FOR FINANCE AND PLANNING.
UNQUOTE

3. PLEASE ADVISE BY IMMEDIATE TELEGRAM WHETHER KENYAN PROPOSAL, OR SOME VARIANT THEREOF, ACCEPTABLE SO THAT I MAY OBTAIN SIGNED DOCUMENT IN TIME TO TRANSMIT TO WASHINGTON BY AIR POUCH JUNE 13.

4. IN INTERIM NG'ANG'A STATED THAT KENYAN CHARGE D'AFFAIRES IN WASHINGTON AUTHORIZED TO BEGIN DISCUSSIONS WITH TREASURY DEPARTMENT ON AGREEMENTS.

5. NG'ANG'A ALSO GAVE ME PROMISSORY NOTE FORMULA NORMALLY USED BY KENYA MINISTRY OF FINANCE AND EXPRESSED HOPE THAT FORMULATION WOULD BE ACCEPTABLE TO U.S. TREASURY DEPARTMENT. ESSENCE OF KENYAN PROMISSORY NOTE FORMULA AS FOLLOWS:

QUOTE.
FOR VALUE RECEIVED WE PROMISE TO PAY AGAINST THIS PROMISSORY NOTE TO OR ORDER ON THE SUM OF (IN WORDS)
AT

FOR AND ON BEHALF OF THE
REPUBLIC OF KENYA.
UNQUOTE.

6. PLEASE ADVISE WHETHER THIS FORMULATION ACCEPTABLE TO U.S. TREASURY.
LINDSTROM

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Message Attributes

Automatic Decaptioning: X
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06 JUL 2006

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